

Message Text

UNCLASSIFIED

PAGE 01 CARACA 05358 280140Z
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 TRSE-00 OMB-01 AID-05
CIAE-00 INR-07 NSAE-00 /035 W
-----282213Z 102468 /73
R 272159Z MAY 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 7814
INFO USDOC WASHDC

UNCLAS CARACAS 5358

DEPARTMENT PLEASE PASS EXIMBANK

COMMERCE FOR OED/MEPD, OIM AND SIPS

E.O. 11652: N/A
TAGS: BENC, BEXP, EGEN
SUBJECT: EXPORT FINANCING TO C.A. DE ADMINISTRACION Y
FOMENTO ELECTRICO (CADAPE)

REF: (A) STATE 113765, (B) CARACAS 1199, (C) USDOC 5484

1. EMBOFF SPOKE WITH ING. FRANCISCO VALERA, DIRECTOR OF PRODUCTION AT CADAPE, REGARDING QUESTIONS RAISED IN REF "A". ING. VALERA CONFIRMED THAT HITACHI AND AEG HAD BEEN AWARDED CONTRACTS TO SUPPLY THE FIRST FIVE TURBINES. HOWEVER, HE SAID THAT NO SUPPLIER FINANCING WAS INVOLVED. HE STATED THAT CADAPE USED LETTERS OF CREDIT TO MAKE THOSE PURCHASES. THE FUNDS WERE SUPPLIED TO CADAPE BY THE VENEZUELAN INVESTMENT FUND. ING. VALERA STATED THAT HITACHI WOULD HAVE WON THE CONTRACT TO SUPPLY ALL FIVE OF THE GAS TURBINES BECAUSE IT HAD QUOTED THE BEST PRICE. ING. VALERA CLAIMED THAT HE DID NOT REMEMBER THE PRICE DIFFERENCE BETWEEN HITACHI AND THE RUNNERS UP BUT HAT IT COULD ONLY DELIVER THREE OF THE UNITS IN THE TIME PERIOD SPECIFIED BY CADAPE. FOR THAT REASON, THE SECOND LOWEST BIDDER, AEG, WAS AWARDED THE CONTRACT FOR THE REMAINING TWO UNITS.

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2. ING. VALERA ALSO CONFIRMED THAT THE BIDS ON SECOND SET OF FIVE TURBINES ARE BEING STUDIED AT PRESENT AND THAT A DECISION SHOULD BE MADE BEFORE THE END OF MAY. HE SAID THAT THE BIDDERS ARE HITACHI, AEG, BROWN BOVERI, WESTINGHOUSE AND GE. MR. VALERA EXPECTS THAT THESE UNITS WILL BE BOUGHT ON LETTER OF CREDIT TERMS TOO.

3. REGARDING THE GAS TURBINES REPORTED IN REF "B", ING.
VALERA STATED THAT FOUR USED UNITS WERE PURCHASED FROM A SUPPLIER
IN PUERTO RICO FOR \$6.1 MILLION. THAT EQUIPMENT IS EXPECTED TO
ARRIVE IN VENEZUELA O/A 1 JUNE AND WILL BE INSTALLED NEAR
VALENCIA.
VAKY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: - EXPORT CREDIT GUARANTEES, - TURBINE COMPONENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA05358
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770192-0153
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770511/aaaaajbc.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dd9e6088-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2342770
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Subject: EXPORT FINANCING TO C.A. DE ADMINISTRACION Y FOMENTO ELECTRICO (CADAPE)
TAGS: BENC, BEXP, EGEN, CADAPE
To: STATE
Type: TE
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